

## **Raising the Wage for American Families**

Yesterday, Democrats in the House and Senate introduced the Raise the Wage Act to raise the federal minimum wage to \$12.00 by 2020. By introducing legislation to raise the minimum wage for the first time in almost six years, Democrats are fighting on behalf of hardworking families who are trying to make ends meet and secure a place in our middle class. Here's a look at how the Raise the Wage Act would expand access to economic opportunities for American workers across the country:

### *The Raise the Wage Act:*

- Increases the national minimum wage from **\$7.25** to **\$12.00** by the year **2020**
  - Raises it **\$0.75** – to **\$8** an hour – the first year
  - Then raises it by **\$1** a year for the next four years;
- Indexes the minimum wage to the median wage starting in **2021**;
- Eliminates the tipped minimum wage gradually by raising the cash wage from the current \$2.13 per hour to match the regular minimum wage.

### *The Raise the Wage Act Strengthens the Economy by:*

- Raising the minimum wage for:
  - **37.7 million** – or more than one in four – American workers
  - **32%** (or **21.1 million**) of wage-earning women
  - **37%** of African American workers
  - **40%** of Hispanic workers
  - **47%** of college educated workers [*statistics from the [Economic Policy Institute](#)*]
- Increasing purchasing power and consumer spending, which stimulates the entire economy and contributes to job growth
  - “Of the 13 states that increased their minimum wage in early 2014, all but one (New Jersey) are seeing employment gains. Furthermore, nine of the remaining 12 states are above the median for this period. The average change in employment for the 13 states that increased their minimum wage is +0.99% while the remaining states have an average employment change of +0.68%.” [[Center for Economic and Policy Research](#)]
- Sharply reducing employee turnover, which can diminish employment and training costs and increase productivity and higher customer satisfaction [[Department of Labor](#)]
- Helping employers, who are better served by incremental and predictable wage increases each year that give them the ability to make strategic choices about costs and pricing [[Economic Policy Institute](#)]
- Lifting families out of poverty, which would also reduce federal spending for “Medicaid, food stamps and other assistance the working poor now need in order to have a minimally decent standard of living.” [CNBC, [4/27/15](#)]
- Causing a “ripple effect [that] occurs when a raise in the minimum wage increases the wage received by workers earning slightly above the minimum wage” [Brookings, [1/10/14](#)]

Despite the fact that [73% of Americans](#) support raising the minimum wage, House Republicans voted against raising the minimum wage **seven** times last year alone. It's time to raise the wage for American workers, and House Democrats will continue to urge House Republican leaders to put the Raise the Wage Act on the Floor for a vote so Congress can help more hardworking Americans get ahead.

*Office of Democratic Whip Steny H. Hoyer, 05/01/15*